



## Fourth Quarter Financial Report December 31, 2019

### **Introduction**

The 4th Quarter 2019 financial report is presented herein. The goal of the financial report is to provide an overview of financial activity for the period of January 1, 2019 through December 31, 2019. Comparative data has been provided to improve understanding.



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# Fourth Quarter 2019 Financial Report

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## Operating Revenues

The fourth quarter operating revenues are presented in the table below. The revenue of the three prior years and the current year are presented. The actual and budget numbers are presented below. Overall, total revenue earned through the twelve months of 2019 is \$15.165 million or 98% of the annual budget. Additional details are provided below.

Operating Revenue	2016 YTD	2017 YTD	2018 YTD	2019			
				Budget	YTD	\$ Variance	% of Budget Received
Property Tax	\$ 3,621,674	\$ 3,631,672	\$ 3,746,876	\$ 3,953,670	\$ 3,934,471	\$ (19,199)	100%
Sales Tax	3,550,844	2,709,465	2,999,736	4,042,550	3,071,304	(971,246)	76%
Criminal Justice Sales Tax	677,710	687,308	749,411	761,440	793,515	32,075	104%
Utility Tax - Electric	775,136	749,676	721,794	862,930	703,838	(159,092)	82%
Utility Tax - Natural Gas	369,834	417,273	368,020	437,870	352,107	(85,763)	80%
Utility Tax - Telecom	387,844	304,808	298,450	356,780	231,521	(125,259)	65%
Utility Tax - Cable TV	302,853	203,248	283,778	266,850	333,957	67,107	125%
Gambling Tax	73,102	44,892	94,638	41,390	50,880	9,490	123%
Leasehold Excise Tax	840	3,680	3,896	3,700	911	(2,789)	n/a
Professional and Occupations Licens	-	300	546	910	480	(430)	53%
Franchise Fees - Cable TV	325,212	279,350	261,495	370,310	262,558	(107,752)	71%
General Business Licenses	7,564	8,337	8,903	10,000	11,858	1,858	119%
Transient Sales Licenses	1,564	2,535	1,727	1,770	2,088	318	118%
Marijuana Excise Tax	-	9,547	62,859	45,000	48,173	3,173	107%
Liquor Excise Tax	115,242	119,491	125,876	123,540	138,218	14,678	112%
Liquor Profits	212,773	209,299	206,319	206,350	206,076	(274)	100%
Sale of Maps & Publications	110	93	126	140	92	(48)	66%
Passport Filing Fees	11,800	11,600	14,155	14,110	16,380	2,270	116%
Investment Interest	52,547	65,564	160,822	116,830	186,410	69,580	160%
Miscellaneous	2,015	6,365	49,884	6,070	16,847	10,777	278%
Economic Development	-	24,700	14,590	24,700	25,217	517	n/a
Risk Management	1,125	5,500	-	-	211	211	n/a
Community Development	602,448	1,330,025	958,878	1,374,420	2,555,220	1,180,800	186%
Public Safety	209,951	327,638	300,196	343,260	353,523	10,263	103%
Parks Maintenance	27,262	30,461	31,057	67,130	37,938	(29,192)	57%
Lake Wilderness Lodge	264,933	409,673	403,101	338,470	316,903	(21,568)	94%
Recreation	545,429	554,179	685,719	644,440	622,443	(21,997)	97%
Summit Park	-	-	-	-	24,275	24,275	n/a
Public Works Administration	171,705	217,267	170,356	240,260	112,697	(127,563)	47%
Public Works Maintenance	5,368	5,596	4,415	6,150	-	(6,150)	0%
Motor Vehicle Fuel Tax-City Streets	516,112	514,075	514,481	584,250	502,347	(81,903)	86%
Multimodal Transpo City	25,274	26,063	35,038	30,750	34,997	4,247	114%
MVA Transpo City	17,040	22,805	30,659	31,429	30,623	(806)	97%
Developer Contrib-Quadrant Homes	-	-	-	-	12,000	12,000	n/a
Waste Reduction and Recycling	120,667	104,867	98,743	120,680	105,203	(15,477)	87%
Proceeds from Sales of Capital Asset	-	-	3,010,000	-	-	-	n/a
Transfers	61,699	49,014	25,443	88,730	70,600	(18,129.94)	80%
<b>TOTALS</b>	<b>\$ 13,123,671</b>	<b>\$ 13,090,627</b>	<b>\$ 16,453,140</b>	<b>\$ 15,516,879</b>	<b>\$ 15,165,883</b>	<b>\$ (350,996)</b>	<b>98%</b>

**Property Tax** collections are \$3.93 million through for 2019, which represents 25.9% of total operating revenue year-to-date. This equals an increase of 5% over the same period in 2018. April 30<sup>th</sup> and October 31<sup>st</sup> are the payment due dates for property owners, and the City receives the money one month after it is remitted. The City's collection rate in 2019 was 99.3%.

**Sales Tax** revenue represents 20% of total annual operating revenue in 2019. Payments are *received* by the City two months after it is paid by consumers. At the end of the fourth quarter, 76% of the annual budget has been received; this is an increase of 2.4% or \$71,568 over 2018. The sales tax by month and by category are provided on Page 9.

The State of Washington established a destination-based tax system in 2008. The Marketplace Fairness Act was adopted in January and reinforced by the Supreme Court decision, *South Dakota v. Wayfair*. The Court ruled that state and local governments can require businesses (specifically Internet retailers) without a physical location to collect and remit sales taxes on taxable sales shipped into a state. This decision was reached in June 2018, and contributes to the growth the City has experienced in the retail category.

**Criminal Justice Sales Tax** is a 0.1% sales tax imposed at the county level that is shared with cities based on a per capita basis. Year-to-date, this revenue is at 104% of budget expectations and 5.2% of total operating revenue.

**Utility Taxes** are imposed by the City include electric, natural gas, telecom and cable TV. Currently, the tax rates are at the maximum rate (6%) allowable without voter approval. Federal law prohibits the taxation of Internet services. The combined collected amount through the end of the year is \$1,621,424, which equals 84% of the annual budgeted amount.

**Liquor Excise Tax and Liquor Profits** are examples of State Shared Revenue. The distribution is based on a per capita basis with liquor profits computed on the associated licensing fees and the excise tax is calculated on actual liquor sales.

For 2019, the Liquor Excise Tax grew \$12,342 or 9.8% over the same annual period of 2018. The budget amount received is 112%.

**Community Development** required an accounting change for the receipt and disbursement of school and fire impact fees. The City receives impact fee payments from developers as part of the permit process. Previously, the school and fire impact fees were recorded as a liability. The disbursement to Tahoma School District and the Maple Valley Fire & Life Safety reduced the same liability account.

Upon implementation of a new Governmental Accounting Standards Board (GASB) pronouncement, an accounting change was identified. School and fire impact fees are now recorded as revenue when received, and as an expenditure when paid. In 2019, the City collected and remitted \$1,245,552 for school impact fees and \$297,695 for fire impact fees.

For comparison, the revenue from the accounting change has been excluded from the following calculations. The City earned \$1,011,974 through planning fees, building fees and the fire inspection fees. Each revenue category reflects an increase over the prior year's revenue; yet, in total, the results were short of the budget projections by \$362,446 or 26%.

## Operating Expenditures

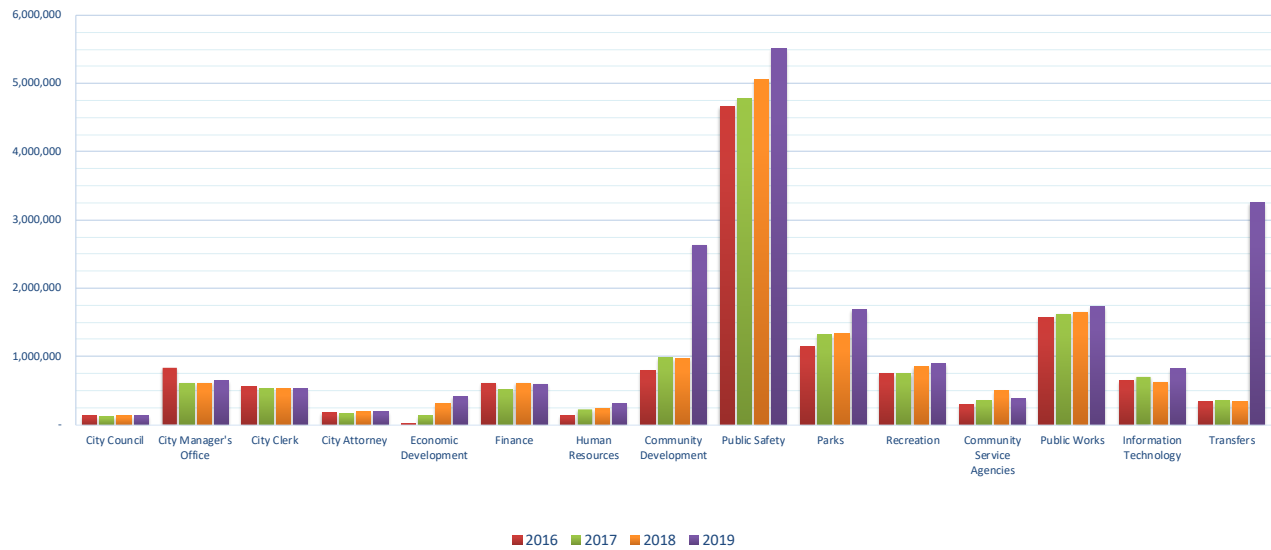
Total operating expenditures before transfers and cost of sales shown on the subtotal line reflects spending at 1% over the annual budget. However, the new expenditures, related to the accounting change for impact fees, were not budgeted. When taking this into account, operating expenditures were actual 91% of the budget. When the transfers are included, the total expenditures before the accounting change total \$18.2M. The table below lists all on-going operating expenditures by department with 2019 Budget, dollar variance, and the percent of budget expended.

Operating Expenditures	2016 YTD	2017 YTD	2018 YTD	2019			
				Budget	YTD	\$ Variance	% of Budget Expended
City Council	\$ 129,939	\$ 119,191	\$ 134,885	\$ 183,650	\$ 137,968	\$ (45,682)	75%
City Manager's Office	673,850	423,061	429,806	473,600	438,994	(34,606)	93%
City Clerk	554,312	514,251	521,937	573,720	521,899	(51,821)	91%
City Attorney	177,115	168,088	194,374	200,000	187,935	(12,065)	94%
Economic Development	6,193	127,848	308,746	457,490	414,086	(43,404)	91%
Finance	604,307	522,569	603,157	639,830	596,242	(43,588)	93%
Human Resources	127,263	221,415	246,063	321,180	307,049	(14,131)	96%
Community Development	783,826	989,371	967,960	1,305,120	2,628,096	1,322,976	201%
Public Safety	4,661,409	4,774,498	5,055,832	5,684,605	5,517,444	(167,161)	97%
Emergency Operations	11,126	14,769	12,859	34,228	10,209	(24,019)	30%
Parks Administration	376,600	410,993	423,316	493,170	411,775	(81,395)	83%
Parks Maintenance	358,333	417,513	422,736	817,760	667,888	(149,872)	82%
Lake Wilderness Lodge	410,399	490,205	488,873	566,590	567,328	738	100%
Recreation Administration	280,303	275,550	321,611	434,830	402,556	(32,274)	93%
Recreation Programs	463,110	473,945	525,393	481,760	492,547	10,787	102%
Summit Park	-	-	-	-	37,467	37,467	n/a
Community Events	164,577	185,443	175,177	217,690	199,408	(18,282)	92%
Community Service Agencies	295,584	351,658	500,328	393,992	389,293	(4,699)	99%
Public Works Administration	598,011	568,697	590,690	761,010	495,023	(265,987)	65%
Public Works Maintenance	811,247	923,712	910,915	1,235,550	1,082,553	(152,997)	88%
Lake Management	61,699	47,851	55,960	88,730	69,426	(19,304)	78%
Waste Reduction & Recycling	98,335	85,561	94,716	91,680	83,419	(8,261)	91%
Information Technology	639,045	701,430	629,638	808,840	819,662	10,822	101%
<b>Subtotals</b>	<b>12,286,581</b>	<b>12,807,617</b>	<b>13,614,973</b>	<b>16,265,025</b>	<b>16,478,266</b>	<b>213,241</b>	<b>101%</b>
Cost of Sale of Capital Assets	-	-	196,658	-	-	-	
Transfers	349,904	352,013	342,027	3,476,936	3,261,355	(215,581)	94%
<b>TOTALS</b>	<b>\$ 12,636,485</b>	<b>\$ 13,159,630</b>	<b>\$ 14,153,658</b>	<b>\$ 19,741,961</b>	<b>\$ 19,739,621</b>	<b>\$ (2,340)</b>	<b>100%</b>

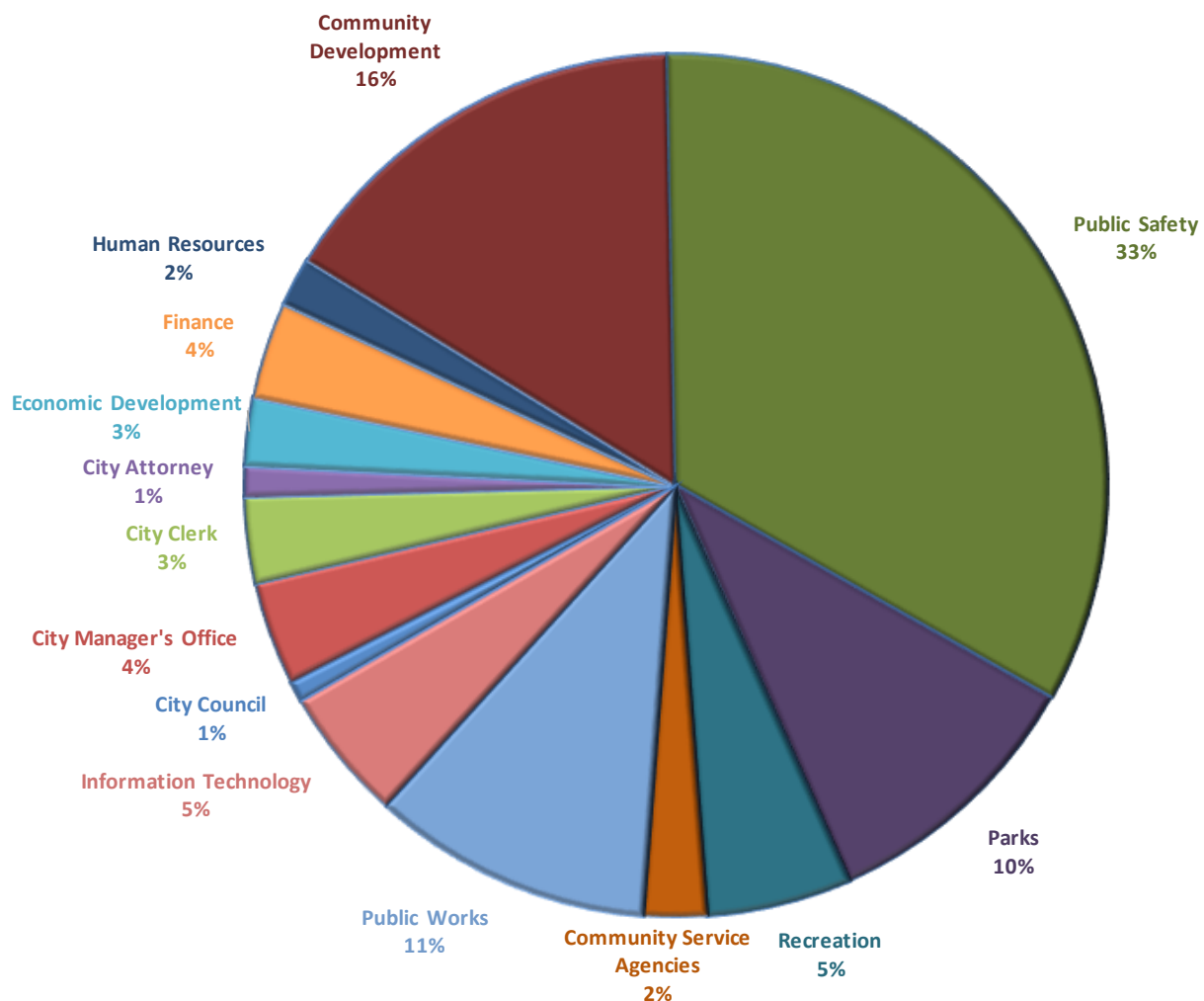
Interfund transfers for the year equal \$3.3 million. The General Fund support of Summit Park construction is the majority of this total at \$2,793,766. Other transfers support debt service, capital projects, and Surface Water Management.

The graph below presents a four-year comparison of operating expenditures by department and the chart shows the allocation of 2019 operating expenditures.

**General Fund Operating Expenditures  
4th Quarter Comparison by Year**



**2019 GENERAL FUND OPERATING EXPENDITURES  
BY DEPARTMENT**

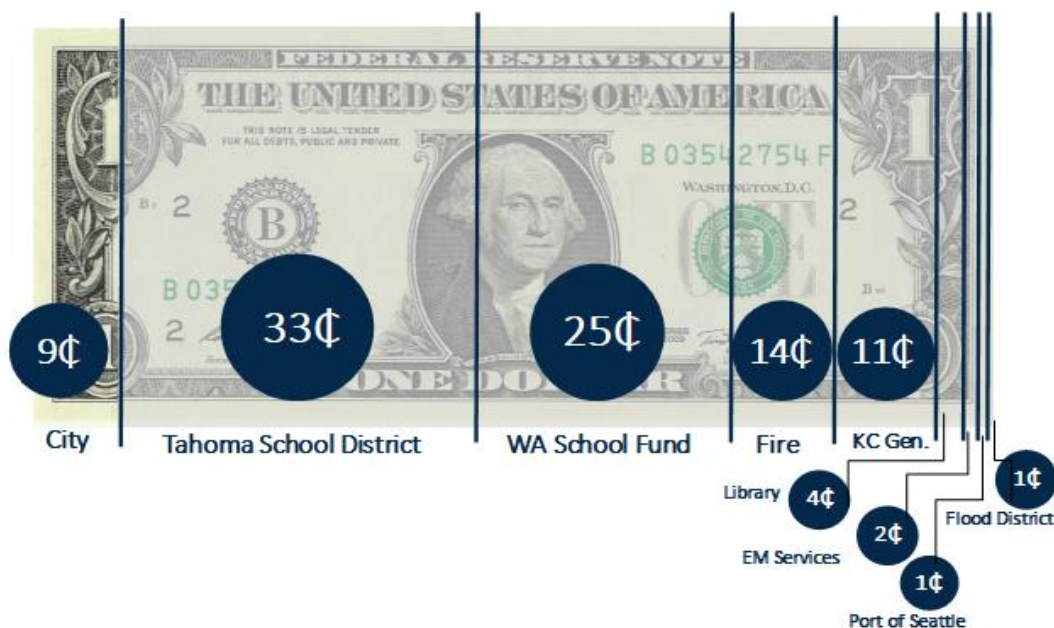


## Property Tax Levy

The City's property tax levy per \$1,000 of assessed value decreased in 2019 from \$1.04 to \$0.96. This is the result of higher growth in the City's total assessed valuation than the City's allowable property tax increase. The City's portion makes up only 9% of total property tax assessed in Maple Valley.

<b>Property Tax Levy Per \$1000 AV</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Direct Regular and Special</b>							
<b>City of Maple Valley</b>	\$ 1.55	\$ 1.47	\$ 1.25	\$ 1.19	\$ 1.13	\$ 1.04	\$ 0.96
<b>Overlapping Regular and Special</b>							
State School Fund	\$ 2.57	\$ 2.47	\$ 2.29	\$ 2.17	\$ 2.03	\$ 2.92	\$ 2.63
King County General	1.54	1.52	1.35	1.48	1.38	1.32	1.22
Port of Seattle	0.23	0.22	0.19	0.17	0.15	0.14	0.12
Emergency Medical Services	0.30	0.34	0.30	0.28	0.26	0.24	0.22
Ferry District	-	-	-	-	-	-	-
King County Flood District Special Lev	0.13	0.15	0.14	0.13	0.12	0.11	0.10
Rural Library	0.57	0.56	0.50	0.48	0.45	0.41	0.37
Tahoma School District Special Levy	3.95	3.73	3.26	3.12	3.00	2.84	1.98
Tahoma School District Bond & Bldg	2.30	3.48	2.91	3.05	2.83	2.57	1.49
Fire District #43	1.74	1.86	1.94	1.68	1.31	1.56	1.51
Subtotal Overlapping	\$ 13.33	\$ 14.33	\$ 12.88	\$ 12.56	\$ 11.54	\$ 12.10	\$ 9.64
<b>Total Property Tax Levy</b>	<b>\$ 14.88</b>	<b>\$ 15.80</b>	<b>\$ 14.13</b>	<b>\$ 13.75</b>	<b>\$ 12.67</b>	<b>\$ 13.14</b>	<b>\$ 10.60</b>

The City's levy portion equals \$0.09 of a dollar for property owners.





## Local Sales Tax Revenue

The City's Retail Sales & Use Tax revenue totals \$3,071,304 and represents 20.3% of total operating revenue at the end of the year. The revenue has grown 2.4% from \$2,999,736 in 2018. The table below provides a comparison by month for the current year and three prior years.

### Local Sales Tax Revenue Monthly Comparison

Month	2016 Actual	2017 Actual	2018 Actual	2019 Actual
January	\$ 226,569	\$ 250,654	\$ 264,424	\$ 257,943
February	253,954	246,559	234,143	247,608
March	308,119	277,651	308,255	305,700
April	305,133	259,032	279,085	297,266
May	260,618	278,606	320,029	311,404
June	351,172	294,215	322,026	359,779
July	309,179	275,743	337,734	332,742
August	317,263	282,349	322,457	320,775
September	331,912	293,079	336,952	333,648
October	277,646	272,788	297,168	325,610
November	265,275	247,919	285,916	304,457
December	344,004	357,978	356,428	247,217
<b>Total</b>	<b>\$ 2,663,919</b>	<b>\$ 2,457,888</b>	<b>\$ 2,725,105</b>	<b>\$ 3,644,149</b>
Taxable Sales	\$ 316,567,932	\$ 292,084,135	\$ 323,838,978	\$ 433,053,951

*Sales Tax by Category is provided by Microflex TaxTools*

\*The discrepancy between Operating Revenues (Pg. 4) and the data presented on this page reflects the allocation of sales tax to the Lake Wilderness Golf Course Fund as well as the 2-month lag between sales tax being earned and remitted. The totals on this page are known remittances as of the date of this report and are inclusive of the General Fund and Lake Wilderness Golf Course Fund portions.

The next table provides more detail as to the categories of our sales tax revenue. Retail sales, construction, and accommodation & food service are the top three revenue categories, and equal 71% of the sales tax earned during the year. Retail trade has increased each year; and, the growth between 2018 and 2019 is 43%. As mentioned above, the Supreme Court decision to require Internet retailers to collect and remit sales tax is a likely cause for apportion of growth in this category.

Construction has declined each year since 2016; yet, shows a 4% increase in 2019. This category represents 20% of total sales tax revenue year-to date.

Accommodation and food service is the third highest category of total sales tax revenue. For 2019, it represents 12% of the total and increased by \$123,929 over the 2018 annual amount of \$325,250.

Other categories to mention are waste management and remediation services with related administrative and support services, other, and services categories. These three areas have experienced the largest growth. Waste management grew by ninety-three percent (93%). Other increased seventy percent (70%), and includes agriculture, forestry, fishing, hunting, mining, quarrying, oil and gas extraction, utilities, and non-assigned. The service category consists of professional, scientific, technical, education, and other services. Growth in this category is sixty-three percent (63%).

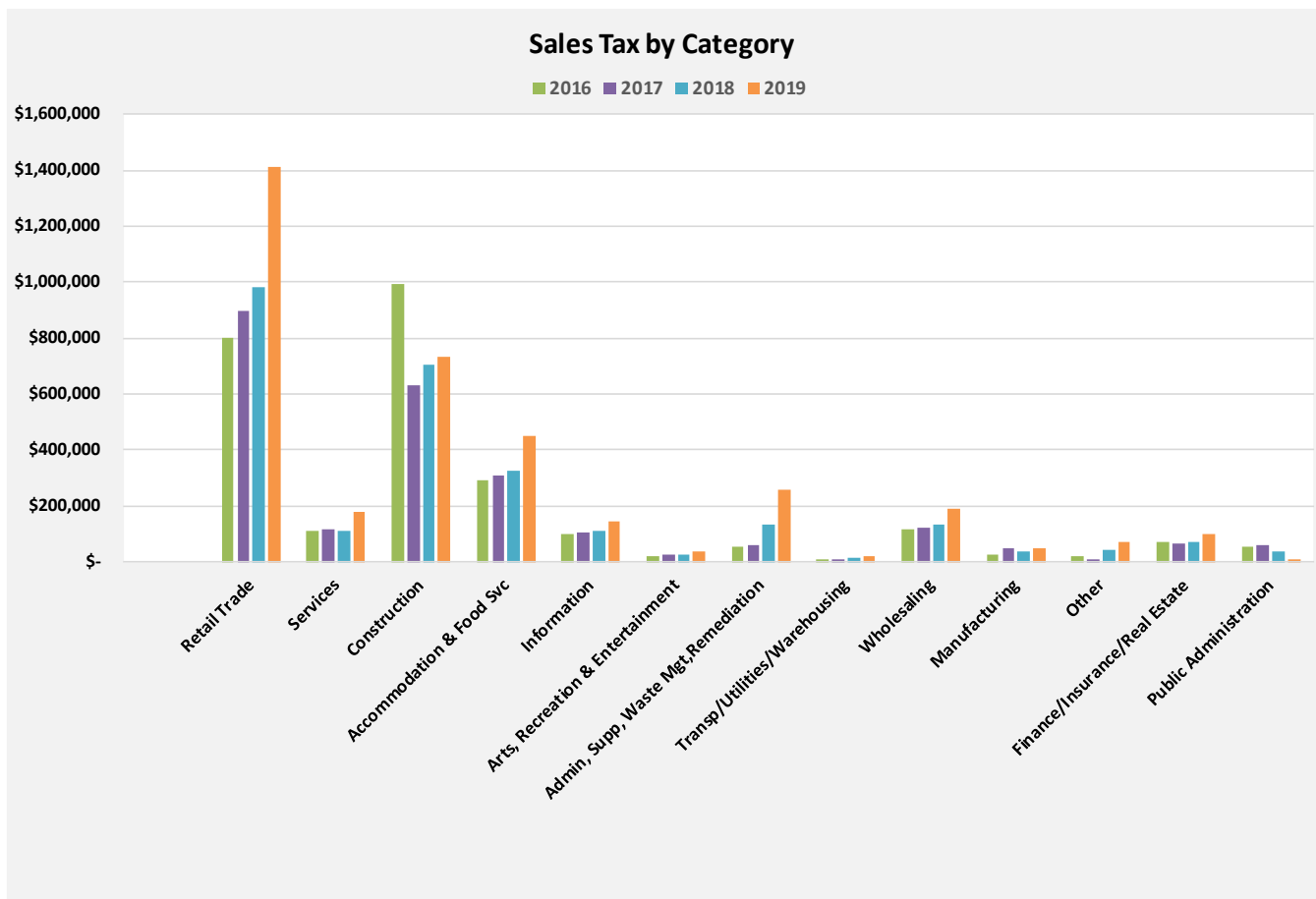
**Local Sales Tax Revenue  
By Category**

Category	2016	2017	2018	2019	% change	% of total
Retail Trade	\$ 800,538	\$ 894,770	\$ 983,866	\$ 1,411,143	43%	38.72%
Services	109,010	118,130	108,765	177,087	63%	4.86%
Construction	995,597	632,942	706,047	731,007	4%	20.06%
Accommodation & Food Svc	289,348	307,271	325,250	449,179	38%	12.33%
Information	98,473	102,173	107,609	142,778	33%	3.92%
Arts, Recreation & Entertainment	20,440	26,477	26,639	35,689	34%	0.98%
Admin, Supp, Waste Mgt, Remediation	51,572	59,604	134,418	259,661	93%	7.13%
Transp/Utilities/Warehousing	9,081	7,701	13,385	19,622	47%	0.54%
Wholesaling	113,809	124,297	134,199	188,604	41%	5.18%
Manufacturing	27,176	49,439	34,045	48,153	41%	1.32%
Other	20,753	6,728	43,209	73,423	70%	2.01%
Finance/Insurance/Real Estate	72,014	67,006	69,784	97,961	40%	2.69%
Public Administration	56,108	61,350	37,889	9,842	-74%	0.27%
<b>Total</b>	<b>\$ 2,663,919</b>	<b>\$ 2,457,888</b>	<b>\$ 2,725,105</b>	<b>\$ 3,644,149</b>	<b>34%</b>	<b>100.00%</b>

*Sales Tax by Category is provided by Microflex TaxTools*

\*The discrepancy between Operating Revenues (Pg. 3) and the data presented on this page reflects the allocation of sales tax to the Lake Wilderness Golf Course Fund as well as the 2-month lag between sales tax being earned and remitted. The totals on this page are known remittances as of the date of this report and are inclusive of the General Fund and Lake Wilderness Golf Course Fund portions.

The graph on the next page provides a visual four-year comparison of the annual revenue by all sales tax categories presented in the table.



## Real Estate Excise Tax

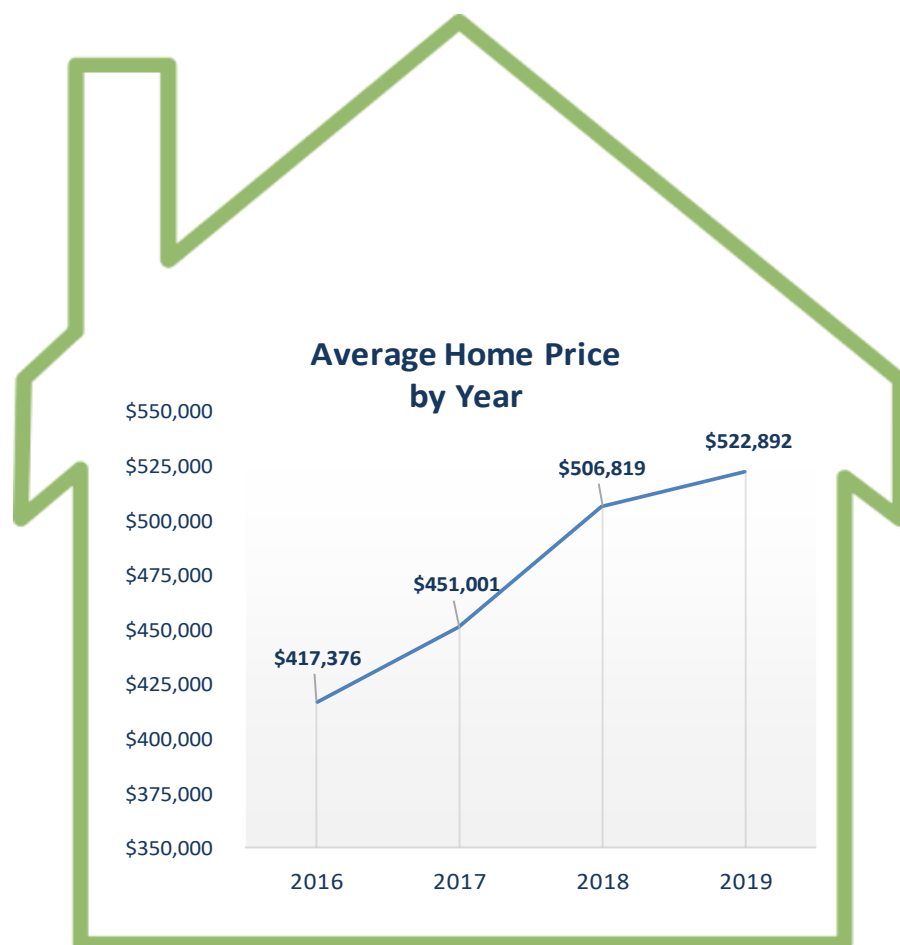
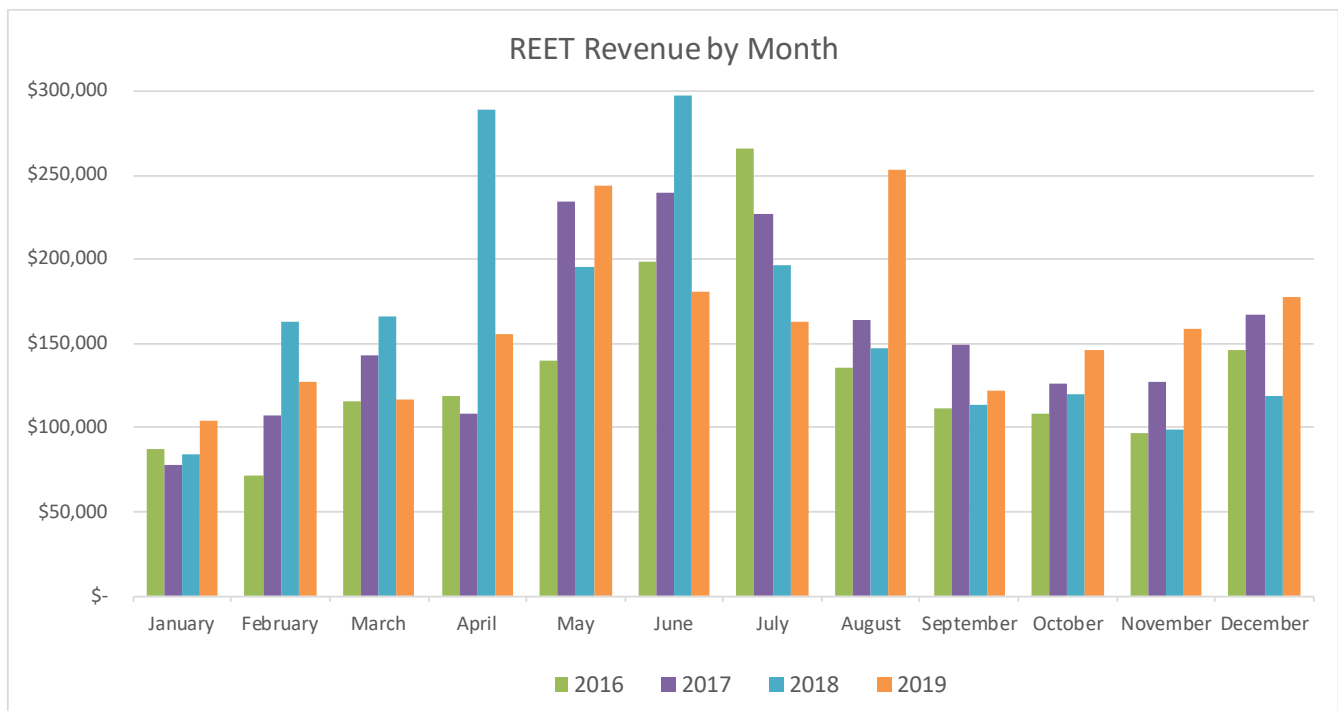
The City levies a 0.50% Real Estate Excise Tax on all real estate sale transactions. This 0.50% is broken up into the First 0.25% (REET 1) and the Second 0.25% (REET 2). These two revenue sources face different spending restrictions per RCW 82.46.010 and RCW 82.46.035.

The combined total (REET 1 and REET 2) revenue of each year are included in the table below.

	<b>2016</b>		<b>2017</b>		<b>2018</b>		<b>2019</b>	
<b>Month</b>		<b>YTD</b>		<b>YTD</b>		<b>YTD</b>		<b>YTD</b>
January	\$	87,761	\$	78,094	\$	84,372	\$	104,002
February		71,659		107,110		162,723		127,649
March		115,913		143,388		166,475		116,389
April		118,851		108,678		289,374		156,019
May		140,196		234,204		195,674		243,520
June		198,839		239,267		297,260		181,260
July		266,247		227,366		196,099		163,233
August		135,356		163,925		147,444		253,499
September		111,773		149,755		113,762		121,926
October		108,377		126,118		120,004		145,600
November		96,966		126,887		98,483		159,062
December		145,926		167,510		119,322		177,494
<b>Total</b>	<b>\$</b>	<b>1,246,595</b>	<b>\$</b>	<b>1,451,788</b>	<b>\$</b>	<b>1,653,183</b>	<b>\$</b>	<b>1,949,654</b>
Taxable Sales		\$ 251,837,370		\$ 293,290,422		\$ 333,976,408		\$ 393,869,418

REET revenue is received by the City in the second month after it is paid by the consumer. The preceding table presents REET revenue in the month it was *earned*. For the year, REET is nearly 18% higher when compared to 2018. In 2019, there has been 605 SFR taxable transactions, 125 for new homes, 475 for existing homes. There was thirty (30) fewer taxable SFR real estate sales transactions than the prior year. The average selling price of new homes has dropped from \$666,607 for 2018 to \$585,958 for 2019. Whereas, the average selling price of existing homes has increased \$31,294 between 2018 and 2019. The current average selling price of an existing single family residential (SFR) is \$505,458. The overall average of all home sales has increased 3.17%.

The following page has two charts related to REET. First, a monthly comparison for years 2016 through 2019 that illustrates the cycle of revenue and the growth between years. The second one shows the growth of the average home prices for the same four years.

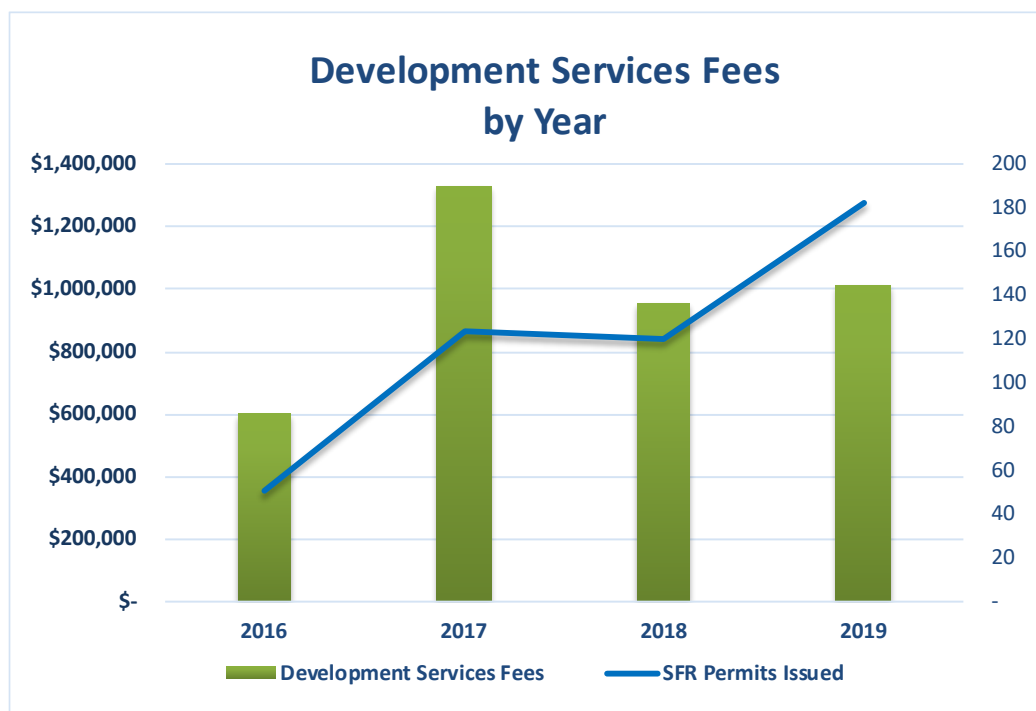


## Development Services Fees

Community Development revenue is comprised of planning, building, and Fire Marshal fees. In addition, an accounting change for the receipt and disbursements of school and fire impact fees was required in 2019. School and fire impact fees are now recorded as revenue when received, and as an expenditure when paid. During 2019, the City collected and remitted \$1,245,552 for school impact fees and \$297,695 for fire impact fees. The table includes the new revenue, but provides a subtotal of the existing revenue for comparison with previous years.

Year-to-date total revenue equals \$1,011,974. This calculates to 74% of budgeted revenue for 2019. Building fees account for 87% of the total revenue amount. The number of permits issued on Single Family Resident (SFR) grew by 62 compared to the 2018 total of 120 permits to 182 issued in 2019. The type of permit and valuation amount determines the total revenue generated on SFR permits. The table below provides the revenue by category for the three prior years, 2019 budget and actuals, the budget variance, and the percentage of budget received in 2019 for the third quarter. The chart provides a visual comparison of the revenue as well as the number of permits issued by year.

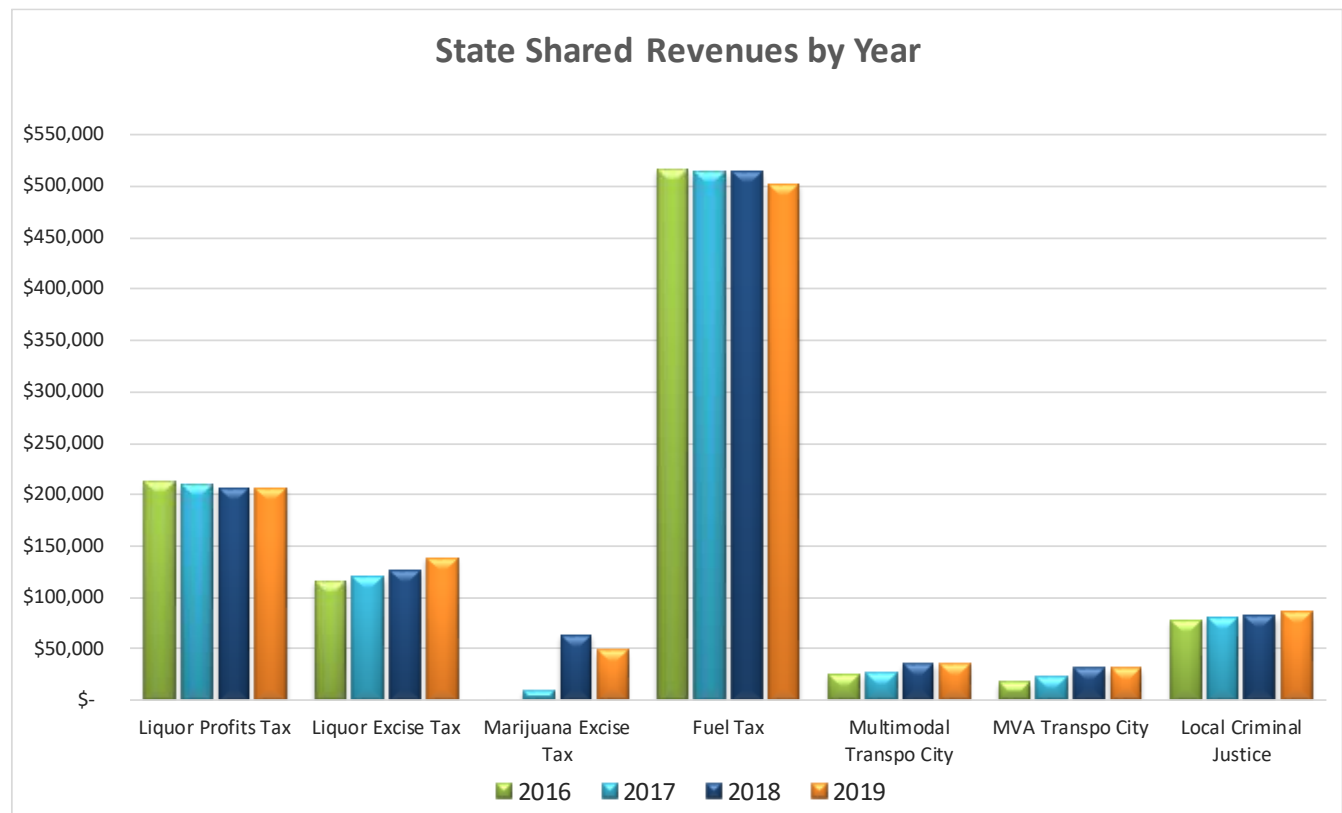
Revenue	2016 YTD	2017 YTD	2018 YTD	2019 Budget	2019 YTD	\$ Variance	% of Budget Received
Planning Fees	\$ 81,015	\$ 87,398	\$ 53,363	\$ 99,270	\$ 74,768	\$ (24,502)	75%
Building Fees	481,830	1,162,567	855,746	1,192,440	878,206	(314,234)	74%
Fire Marshall	39,603	80,060	49,770	82,710	59,000	(23,710)	71%
Subtotal	602,448	1,330,025	958,878	1,374,420	1,011,974	(362,446)	74%
Impact Fees	-	-	-	-	1,543,247	1,543,247	n/a
<b>TOTAL</b>	<b>\$ 602,448</b>	<b>\$ 1,330,025</b>	<b>\$ 958,878</b>	<b>\$ 1,374,420</b>	<b>\$ 2,555,220</b>	<b>\$ 1,180,800</b>	<b>186%</b>



## State Shared Revenues

State Shared Revenues in total are \$15,387 lower compared to the same nine-month period in 2018. The table below reflects that seventy-one percent (71%) of the 2019 budgeted revenue has been received. Several categories are showing similar amounts to the prior year although Liquor Excise Tax is ten percent (10%) higher while Marijuana and Motor Vehicle Fuel excise tax are lower by 28% and 3.4% compared to 2018 receipts; respectively. One of the Marijuana Excise Tax distributions received in 2018 contained retroactive amounts; therefore, the percentage change does not accurately reflect when the revenue was earned. The table and graph provide side by side comparison of each revenue category by year.

Category	2016	2017	2018	2019		% of Budget	
	Actuals	Actuals	Actuals	Budget	Actuals	\$ Variance	Received
Liquor Profits Tax	\$ 212,773	\$209,299	\$ 206,319	\$ 206,350	\$ 206,076	\$ (274)	100%
Liquor Excise Tax	115,242	119,491	125,876	123,540	138,218	14,678	112%
Marijuana Excise Tax	-	9,547	62,859	45,000	48,173	3,173	107%
Motor Vehicle Fuel Tax	516,112	514,075	514,481	584,250	502,347	(81,903)	86%
Multimodal Transpo City	25,274	26,063	35,038	30,750	34,997	4,247	114%
MVA Transpo City	17,040	22,805	30,659	31,429	30,623	(806)	97%
State of WA/City Assistance	65,993	-	-	-	-	-	n/a
Local Criminal Justice	77,585	79,475	81,542	86,650	85,073	(1,577)	98%
Totals	\$1,030,019	\$980,755	\$1,056,775	\$1,107,969	\$1,045,507	\$ (62,462)	94%



## Vehicle Excise Tax

The City's Vehicle Excise Tax was levied by the Transportation Benefit District (TBD) which was legally absorbed into the City in December 2015. The following table details Vehicle Excise Taxes *earned* from January through December 2019 regardless of when the revenue was remitted to the City. The data shows that year-to-date revenues between 2018 and 2019 decreased by \$23,795 or 5%. In 2019, the Vehicle Excise Tax collected is at ninety-eight percent (98%) of the annual budget amount, \$424,820.

Month	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals
January	\$ 27,720	30,571	33,482	24,021
February	32,333	25,166	28,314	36,865
March	36,452	38,056	41,255	41,144
April	31,581	32,710	33,779	39,877
May	30,967	36,868	37,243	34,016
June	42,154	39,184	36,175	34,393
July	26,037	30,155	39,382	43,441
August	36,095	37,877	38,570	32,769
September	29,462	28,750	30,591	37,983
October	26,512	33,026	31,046	22,026
November	24,730	27,918	65,459	29,522
December	31,640	28,373	25,859	41,303
<b>TOTAL</b>	<b>\$ 375,685</b>	<b>\$ 388,654</b>	<b>\$ 441,155</b>	<b>\$ 417,360</b>

## Utility Tax

Utility Taxes are received by the City one month after they are earned. Utility Taxes receipts for 2019 totaled \$1,621,424, as shown in the table below. Alone, electric utility tax equal 4.6% of total operating revenue and has met 82% of the budgeted amount. In total, utility taxes are nearly 11% of the total annual operating revenue.

Category	2016 Actuals	2017 Actuals	2018 Actuals	2019		\$ Variance	% of Budget Received
				Budget	Actuals		
<b>Electric</b>	\$ 775,136	\$ 749,676	\$ 721,794	\$ 862,930	\$ 703,838	(159,092)	82%
<b>Gas</b>	369,834	417,273	368,020	437,870	352,107	(85,763)	80%
<b>Telecom</b>	387,844	304,808	298,450	356,780	231,521	(125,259)	65%
<b>Cable TV</b>	302,853	203,248	283,778	266,850	333,957	67,107	125%
<b>Total</b>	<b>\$ 1,835,667</b>	<b>\$1,675,006</b>	<b>\$ 1,672,041</b>	<b>\$ 1,924,430</b>	<b>\$ 1,621,424</b>	<b>\$ (303,006)</b>	<b>84%</b>



## Parks and Recreation

Parks and recreation total revenue equaled ninety-five percent (95%) of the 2019 annual budget, while program expenditures are at ninety-three percent (93%). The new recreational software, PerfectMind, has modified the revenue to accrual accounting. In the past, revenue was recorded at the time it was received, regardless of the event or class date (cash basis accounting). This conversion will more accurately reflect the revenue, match revenues to expenditures, and conforms to Generally Accepted Accounting Principles (GAAP).

From the table below, total revenue of \$1,001,558 was earned in 2019. Recreation fees comprised 54% of the total, Lake Wilderness Lodge calculated to 31.5%, and rental revenue including Summit Park equals 5.5%. The table below provides four years of annual data for revenues and expenditures with the 2019 annual budget, dollar variance, and the percentage of budget received for revenue (top section) and spent for expenditures (bottom section).

	2016 Actuals	2017 Actuals	2018 Actuals	2019		% of Budget	
				Budget	Actuals	\$ Variance	Rcvd./Expd.
<b>Program Revenues</b>							
Recreation Fees	\$ 443,967	\$ 445,576	\$ 599,002	\$ 530,840	\$ 539,506	\$ 8,666	102%
LW Lodge	264,933	408,505	402,711	338,070	315,705	(22,366)	93%
Rental Revenue	26,887	29,214	58,331	101,130	55,083	(46,047)	54%
Event Concessions	22,781	26,024	19,803	24,970	20,687	(4,283)	83%
Summit Park	-	-	-	-	24,275	24,275	n/a
Donations/Grants/Misc	54,736	50,502	39,014	54,630	45,200	(9,430)	83%
Parks Maintenance	24,320	34,493	1,016	400	1,102	702	275%
<b>Total Program Revenues</b>	<b>\$ 837,623</b>	<b>\$ 994,313</b>	<b>\$ 1,119,876</b>	<b>\$ 1,050,040</b>	<b>\$ 1,001,558</b>	<b>\$ (48,482)</b>	<b>95%</b>
<b>Program Expenditures</b>							
Parks Administration	\$ 376,600	\$ 410,993	\$ 423,316	\$ 493,170	\$ 411,775	\$ (81,395)	83%
Parks Maintenance	358,333	417,513	422,736	817,760	667,888	(149,872)	82%
Lake Wilderness Lodge	410,399	490,205	488,873	566,590	567,328	738	100%
Recreation Administration	280,303	275,550	321,611	434,830	402,556	(32,274)	93%
Recreation Programs	463,110	473,945	525,393	481,760	492,547	10,787	102%
Summitt Park	-	-	-	-	37,467	37,467	n/a
Community Events	164,577	185,443	175,177	217,690	199,408	(18,282)	92%
Community Grants/Programs	295,584	351,658	500,328	393,992	389,293	(4,699)	99%
<b>Total Program Expenditures</b>	<b>\$ 2,348,905</b>	<b>\$ 2,605,306</b>	<b>\$ 2,857,436</b>	<b>\$ 3,405,792</b>	<b>\$ 3,168,260</b>	<b>\$ (237,532)</b>	<b>93%</b>
<i>Cost Recovery</i>	36%	38%	39%	31%	32%		

## Lake Wilderness Golf Course

Effective January 1, 2019, the City selected a new management company, CourseCo, for the Lake Wilderness Golf Course. The revenues by category are provided historically and for the current year with a comparison to the 2019 budget. Of total revenue generated for the year, course operations represent 80%, restaurant operations are 17%, and administration and sales tax equals the remaining three percent (3%).

The course operations revenue grew nearly three percent above the 2018 amount, and has surpassed the budget expectation by 4%.

Restaurant operations are 9.5% lower than the same period in 2018. The budget level attained is 62%. Food and beverage sales are lower than expected while the rental revenue is above projections.

	2016	2017	2018	2019		% of Budget	
<b>REVENUES</b>	YTD	YTD	YTD	Budget	YTD Actuals	\$ Variance	Received
<b>Administration</b>							
Investment Interest	17	154	412	20	2,920	2,900	14600%
Cash Adjustments	(43)	(15)	58,080	50	691	641	1382%
Miscellaneous	-	231	406	-	51	51	n/a
<b>Total Administration</b>	<b>(26)</b>	<b>371</b>	<b>58,898</b>	<b>70</b>	<b>3,662</b>	<b>3,592</b>	<b>5232%</b>
<b>Course Operations</b>							
Golf Green Fees	522,215	556,476	579,645	565,460	612,625	47,165	108%
Golf Pro-Shop Merch. Sales	75,332	68,195	82,530	77,090	63,177	(13,913)	82%
Golf Lessons	630	560	1,265	600	1,805	1,205	301%
Golf Clubs & Cart Rentals	169,468	170,089	190,756	202,530	198,722	(3,808)	98%
<b>Total Course Operations</b>	<b>767,645</b>	<b>795,320</b>	<b>854,195</b>	<b>845,680</b>	<b>876,330</b>	<b>30,650</b>	<b>104%</b>
<b>Restaurant Operations</b>							
Food Sales	108,123	93,176	81,210	108,500	67,254	(41,246)	62%
Beverage Sales	146,909	145,199	120,812	194,640	114,243	(80,397)	59%
Restaurant Rental	9,699	9,186	7,524	5,090	8,158	3,068	160%
<b>Total Restaurant Operations</b>	<b>264,731</b>	<b>247,562</b>	<b>209,546</b>	<b>308,230</b>	<b>189,654</b>	<b>(118,576)</b>	<b>62%</b>
<b>City Revenues</b>							
Sales Tax	-	21,213	22,562	28,440	21,770	(6,670)	n/a
Miscellaneous					54		
<b>Transfers-In from General Fund</b>							
Transfers - In from General Fund	40,000	-	-	50,000	-	(50,000)	n/a
<b>Total City Revenues</b>	<b>40,000</b>	<b>21,213</b>	<b>22,562</b>	<b>78,440</b>	<b>21,824</b>	<b>(56,670)</b>	<b>0%</b>
<b>Total Revenues</b>	<b>1,072,350</b>	<b>1,064,465</b>	<b>1,145,201</b>	<b>1,232,420</b>	<b>1,091,470</b>	<b>(140,950)</b>	<b>89%</b>

The expenditure categories for the Lake Wilderness Golf Course include City paid expenditures, administration, course operations, and restaurant operations.

Management services falls under City paid expenditures and the previous management company contract provided for a monthly management fee of \$7,959. The new management contract with CourseCo calls for a monthly management fee of \$9,533.33. Therefore, management services actual expense is \$18,890 greater than budget amount.

<b>EXPENDITURES</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>		<b>% of Budget</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>YTD Actual</b>	<b>\$ Variance</b>	<b>Expended</b>
<b>City Paid Expenditures</b>							
Salaries & Wages	3,328	2,617	3,005	2,780	2,481	(299)	89%
Benefits	2,117	917	696	970	337	(633)	35%
Office & Operating Supp.	232	178	87	190	-	(190)	0%
Other Professional Services	-	-	15,000	-	-		#DIV/0!
Management Services	95,508	95,508	95,508	95,510	124,124	28,614	130%
Banking Services	28,787	31,938	29,710	34,820	32,588	(2,232)	94%
Taxes & Assessments	6,878	8,930	7,000	9,340	7,153	(2,187)	77%
Equipment Replacement	4,169	2,866	2,866	17,940	30,640	12,700	171%
Property Insurance	5,868	5,878	5,948	6,280	5,878	(402)	94%
Fire & Life Safety Services	125	100	-	100	-	(100)	0%
<b>Total City Paid Exp.</b>	<b>147,013</b>	<b>148,932</b>	<b>159,820</b>	<b>167,930</b>	<b>203,201</b>	<b>35,271</b>	<b>121%</b>
<b>Administration</b>							
Office & Operating Supp.	8,792	7,271	2,287	6,020	3,384	(2,636)	56%
Small Tools & Minor Equip.	-	1,529	563	1,260	4,391	3,131	348%
Books & Minor Software	-	606	388	500	543	43	109%
Advertising	8,357	8,931	6,714	7,390	3,054	(4,336)	41%
Other Professional Services	6,576	4,145	5,657	-	5,090	5,090	n/a
Contracted Staff	22,836	22,734	18,368	18,810	93,472	74,662	497%
Payroll & Personnel Services	1,005	2,417	3,012	2,000	102	(1,898)	5%
Cleaning Services	-	1,340	1,540	1,110	1,460	350	132%
Security Services	5,593	4,876	5,391	4,030	4,731	701	117%
Banking Services	553	500	569	410	97	(313)	24%
Software Maint. & Support	-	5,373	9,151	4,450	7,280	2,830	164%
Telephone	7,891	6,811	3,387	5,630	2,157	(3,473)	38%
Internet	-	3,379	4,257	2,800	3,262	462	117%
Postage	-	53	214	40	104	64	259%
Travel	1,338	803	436	660	924	264	140%
Lodging & Meals	-	-	-	-	1,864	1,864	n/a
Rentals and Leases	-	2,206	2,768	1,820	650	(1,170)	36%
Liability Insurance	-	-	-	-	21,217	21,217	n/a
Property Insurance	12,916	13,411	12,111	11,100	-	(11,100)	0%
Utility Services	46,807	31,752	48,983	26,270	45,726	19,456	174%
Cable TV	1,708	2,540	2,268	2,100	1,994	(106)	95%
Repairs & Maintenance	3,795	1,955	382	1,620	2,347	727	145%
Dues, Subscriptions & Membership	706	1,284	1,757	1,060	4,198	3,138	396%
Licenses & Permits	2,912	3,426	1,995	2,830	-	(2,830)	0%
Background Checks	-	278	684	230	81	(149)	35%
Registration & Training	675	173	314	140	86	(54)	61%
Intergovernmental License & Permi	-	-	-	20	2,395	2,375	11976%
Other Miscellaneous	12,985	791	(436)	4,080	3,732	(348)	91%
Other Intergov'tl Licenses	-	22	947	-	-	-	n/a
<b>Total Administration</b>	<b>145,444</b>	<b>128,606</b>	<b>133,706</b>	<b>106,380</b>	<b>214,341</b>	<b>107,961</b>	<b>201%</b>

Year-to-date, the total administration expenses for the golf course are \$214,341. Contracted staff expenses are \$93,472, and have increased over four times from the prior year. The allocation of personnel costs has changed with the new management company. Previously, the salary and benefit costs of the manager was allocated into multiple categories (administration, course and restaurant operations), but this year, it is being charged exclusively to administration.

Course operations and restaurant operations are presented in detail below. Course operation expenses are 15% lower than the prior year and 18% under the budgeted amount. The contracted staff for the pro shop and course expenses are \$38,940 and \$7,468 lower than 2018 totals. This is consistent with the allocation change in personnel costs.

Total restaurant operation expenses are \$2,345 higher than expected for 2019. The budget anticipated a 3.5% increase in costs, but the actual increase was 4.8%. Under rentals & leases expense, a dishwasher lease buyout was completed for \$3,500. Miscellaneous expense is for the King County health permit.

Overall total expenditures for the golf course are at 104% of budget, and 4.2% above 2018 actuals. The fluctuations within the expenditures categories when compared to 2018 are the result of modified expense allocation from the change in management.

At the bottom line, the Lake Wilderness Golf Course has earned \$1,815 in net profit for the year. This is lower than the expected amount of \$173,630; yet, the \$50,000 transfer from the General Fund was not required in 2019.

	2016	2017	2018	2019		% of Budget	
	Actual	Actual	Actual	Budget	Actual	\$ Variance	Expended
<b>Course Operations</b>							
Office & Operating Supp.	50,329	61,981	78,049	70,330	68,372	(1,958)	97%
Fuel Consumed	18,637	20,551	23,621	23,320	23,856	536	102%
Inventory Supplies-Merch.	50,929	49,531	49,268	54,160	49,051	(5,109)	91%
Small Tools & Minor Equip.	5,511	17,730	15,211	20,120	7,799	(12,321)	39%
Advertising	-	-	-	-	-	-	n/a
Other Professional Services	-	3,145	2,793	3,570	3,874	304	109%
Contracted Staff-Pro Shop	122,462	134,743	148,792	152,880	110,853	(42,027)	73%
Contracted Staff-Course	184,720	178,487	188,112	202,520	180,643	(21,877)	89%
Travel	-	-	-	-	-	-	n/a
Rentals & Leases	42,148	30,665	45,864	34,790	32,218	(2,572)	93%
Liability Insurance	-	-	-	-	-	-	n/a
Utility Services	-	6,147	-	6,970	522	(6,448)	7%
Repairs & Maintenance	32,394	4,112	6,331	4,670	1,845	(2,825)	40%
Dues & Subscriptions	-	-	-	-	-	-	n/a
Other Miscellaneous	9,860	283	-	320	2,753	2,433	860%
<b>Total Course Operations</b>	<b>516,989</b>	<b>507,375</b>	<b>558,040</b>	<b>573,650</b>	<b>481,787</b>	<b>(91,863)</b>	<b>84%</b>
<b>Restaurant</b>							
Office & Operating Supp.	8,823	9,743	11,587	8,250	6,478	(1,772)	79%
Inventory Supplies-Food	50,746	48,846	42,741	43,740	46,023	2,283	105%
Inventory Supp. - Beverages	57,198	52,802	42,455	46,120	48,276	2,156	105%
Small Tools & Minor Equip.	9,258	853	3,336	720	767	47	106%
Books & Minor Software	-	169	-	140	-	(140)	0%
Contracted Staff	119,391	113,669	85,518	96,280	96,689	409	100%
Cleaning Services	-	-	407	800	1,181	-	148%
Rentals & Leases	6,937	8,845	9,271	7,490	10,690	3,200	143%
Utility Services	-	3,984	-	3,370	-	(3,370)	0%
Repairs & Maintenance	11,959	4,625	8,374	3,920	4,352	432	111%
Other Miscellaneous	163	-	3	-	985	985	n/a
<b>Total Restaurant</b>	<b>264,474</b>	<b>243,535</b>	<b>203,692</b>	<b>210,830</b>	<b>215,441</b>	<b>4,230</b>	<b>102%</b>
<b>Restaurants Improvements</b>							
WIP-Construction	-	-	-	-	-	-	n/a
<b>Course Improvements</b>							
WIP-Construction	-	-	-	-	-	-	n/a
<b>Total Expenditures</b>	<b>1,073,920</b>	<b>1,028,448</b>	<b>1,055,258</b>	<b>1,058,790</b>	<b>1,114,770</b>	<b>55,599</b>	<b>105%</b>
<b>Revenue Over Expenditures</b>	<b>(1,570)</b>	<b>36,018</b>	<b>89,944</b>	<b>173,630</b>	<b>(23,300)</b>	<b>(196,930)</b>	<b>-13%</b>

## Public Safety

Public Safety includes the Police Department, Emergency Operations Center/Emergency Preparedness, Municipal Court, and Jail. The year ended with revenues 2% higher than expected, and total expenditures under budget by 3%.

TSD School Resource Officer revenue is higher than expected. Upon review of the account activity, the school district was billed for September through December 2018 services in the amount of \$31,862, which was included in the 2019 revenue in error. The actual revenue amount for 2019 is \$97,483, and brings the 2019 revenue in line with the budget projection.

	2016 YTD	2017 YTD	2018 YTD	2019		\$ Variance	% of Budget Rec./Expd.
				Budget	YTD		
<b>Revenues</b>							
Grants and Contributions	\$ 20,189	\$ 29,011	\$ 22,375	\$ 24,088	\$ 6,990	\$ (17,098)	29%
Criminal Justice Contract Svcs.	42,126	43,271	44,544	47,420	46,709	(711)	98%
Criminal Justice - Special Prog.	24,805	25,439	26,097	27,790	27,264	(526)	98%
Criminal Justice Low Population	6,803	7,009	7,220	7,520	7,578	58	101%
Criminal Justice - DUI	3,851	3,757	3,681	3,920	3,522	(398)	90%
Impound Fees	9,000	9,500	7,500	10,490	5,200	(5,290)	50%
False Alarm Fees	2,775	1,900	3,075	820	2,875	2,055	351%
Municipal Court	100,402	118,835	123,220	121,940	124,040	2,100	102%
TSD School Resource Officer	-	88,916	62,484	100,300	129,345	29,045	129%
Donations/Miscellaneous	-	-	-	1,030	-	(1,030)	0%
<b>Total Revenues</b>	<b>\$ 209,951</b>	<b>\$ 327,638</b>	<b>\$ 300,196</b>	<b>\$ 345,318</b>	<b>\$ 353,523</b>	<b>\$ 8,205</b>	<b>102%</b>
<b>Expenditures</b>							
Police Operations	\$ 4,122,654	\$ 4,229,764	\$ 4,444,495	\$ 4,937,120	\$ 4,791,455	\$ (145,665)	97%
Police Training	228	900	-	5,000	5,365	365	107%
Police Facility	52,716	57,976	46,905	53,110	57,751	4,641	109%
Police Special Programs	26,117	35,783	45,006	75,410	59,629	(15,781)	79%
Jail	176,189	172,642	173,481	240,060	231,380	(8,680)	96%
Municipal Court	293,983	297,344	357,912	394,235	391,711	(2,524)	99%
Emergency Preparedness	40,132	48,284	25,172	45,318	22,561	(22,757)	50%
<b>Total Expenditures</b>	<b>\$ 4,712,019</b>	<b>\$ 4,842,693</b>	<b>\$ 5,092,972</b>	<b>\$ 5,750,253</b>	<b>\$ 5,559,853</b>	<b>\$ (190,400)</b>	<b>97%</b>
<b>Revenues Under Expenditures</b>	<b>\$ (4,502,068)</b>	<b>\$ (4,515,055)</b>	<b>\$ (4,792,777)</b>	<b>\$ (5,404,935)</b>	<b>\$ (5,206,329)</b>	<b>\$ 198,606</b>	<b>96%</b>

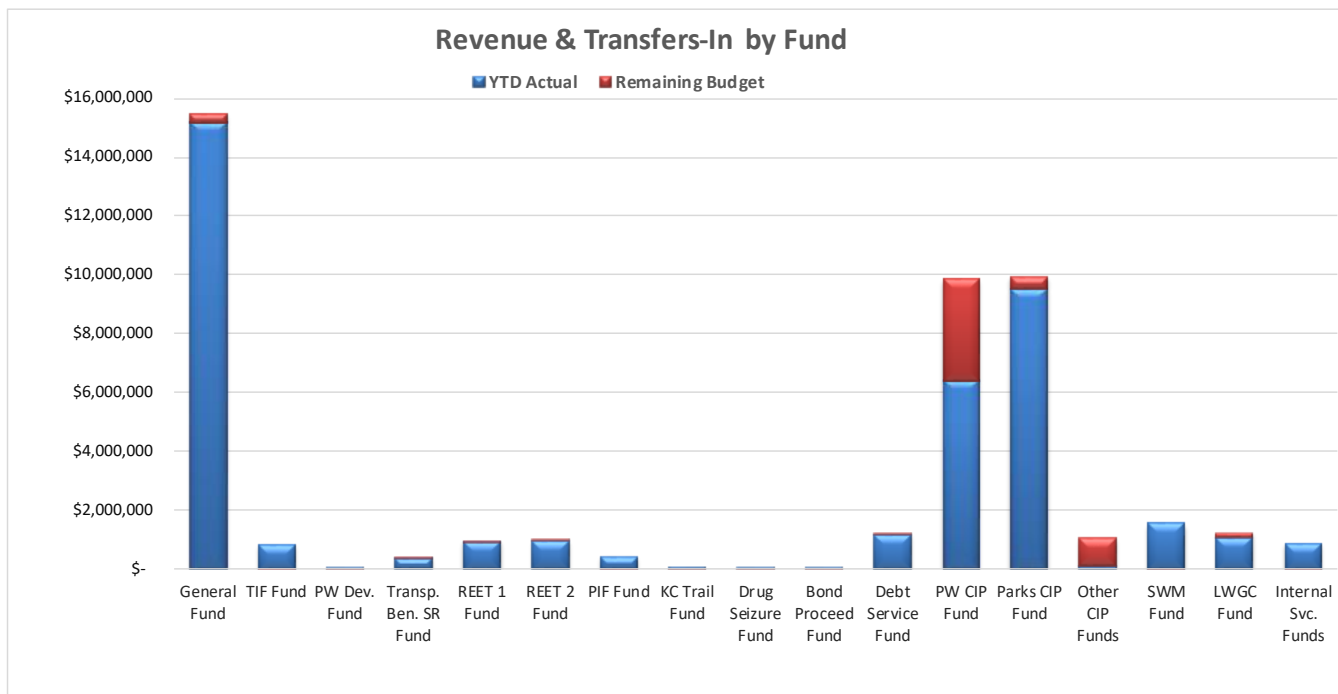


## Budget vs. Actual

### Revenue & Transfers-In by Fund

Budget vs Actuals as of December 31, 2019

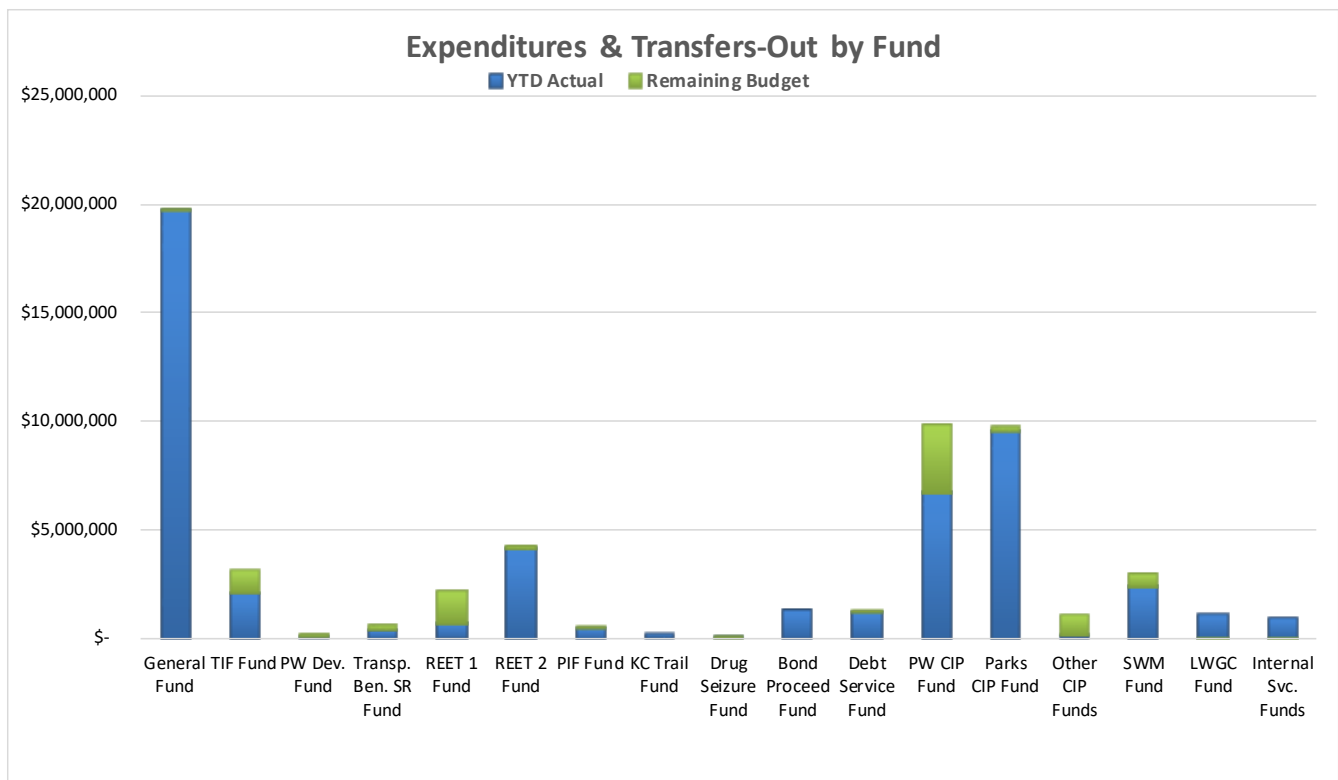
Fund	Budget	YTD Actual	Remaining Budget
General Fund	\$ 15,500,127	\$ 15,165,883	\$ 334,244
Transportation Impact Fee Fund	597,420	836,850	(239,430)
PW Development Fund	-	42,683	(42,683)
Transportation Benefit SR Fund	424,920	366,002	58,918
REET 1 Fund (Transportation)	965,030	946,505	18,525
REET 2 Fund (Parks)	949,775	948,844	931
Parks Impact Fee fund	258,560	429,095	(170,535)
King County Trail & Open Space	53,580	65,494	(11,914)
Drug Seizures Fund	5,860	7,665	(1,805)
Bond Proceed Fund	-	-	-
Debt Service Fund	1,179,520	1,179,487	33
Public Works CIP Fund	9,868,379	6,431,892	3,436,487
Parks CIP Fund	9,941,746	9,524,167	417,579
Other CIP Funds	1,057,330	129,052	928,278
Surface Water Management	1,533,250	1,552,426	(19,176)
Lake Wilderness Golf Course Fund	1,232,420	1,091,425	140,995
Internal Service Funds	748,049	889,261	(141,212)
<b>Total</b>	<b>\$ 44,315,966</b>	<b>\$ 39,606,729</b>	<b>\$ 4,709,236</b>



## Expenditures & Transfers-Out by Fund

Budget vs Actuals as of December 31, 2019

Fund	Budget	YTD Actual	Remaining Budget
General Fund	\$ 19,741,961	\$ 19,739,621	\$ 2,340
Transportation Impact Fee Fund	3,117,710	2,103,751	1,013,959
PW Development Fund	179,700	68,363	111,337
Transportation Benefit SR Fund	620,000	369,941	250,059
REET 1 Fund (Transportation)	2,155,530	669,461	1,486,069
REET 2 Fund (Parks)	4,250,860	4,112,260	138,600
Parks Impact Fee fund	531,985	483,937	48,048
King County Trail & Open Space	196,900	196,900	(0)
Drug Seizures Fund	53,730	24,804	28,926
Bond Proceed Fund	1,278,655	1,278,655	0
Debt Service Fund	1,179,520	1,179,487	33
Public Works CIP Fund	9,863,200	6,715,365	3,147,835
Parks CIP Fund	9,753,486	9,521,112	232,374
Other CIP Funds	1,057,330	128,141	929,189
Surface Water Management	2,992,359	2,358,006	634,353
Lake Wilderness Golf Course Fund	1,058,790	1,089,610	(30,820)
Internal Service Funds	902,439	918,941	(16,502)
<b>Total</b>	<b>\$ 58,934,155</b>	<b>\$ 50,958,355</b>	<b>\$ 7,975,800</b>



## Fund Balance Summary

### Ending Fund Balance

As of December 31, 2019

Fund	Beginning Fund Balance	Revenues & Transfers-In	Expenditures & Transfers-Out	Ending Fund Balance
General Fund	\$ 8,646,601	\$ 15,165,883	\$ 19,739,621	\$ 4,072,862
Transportation Impact Fee Fund	3,861,757	836,850	2,103,751	2,594,855
PW Development Fund	68,082	42,683	68,363	42,402
Transportation Benefit SR Fund	866,191	366,002	369,941	862,252
REET 1 Fund (Transportation)	2,774,634	946,505	669,461	3,051,678
REET 2 Fund (Parks)	3,654,151	948,844	4,112,260	490,735
Parks Impact Fee Fund	383,121	429,095	483,937	328,279
King County Trail & Open Space	464,267	65,494	196,900	332,861
Drug Seizures Fund	91,600	7,665	24,804	74,461
Bond Proceed Fund	1,278,655	-	1,278,655	-
Debt Service Fund	-	1,179,487	1,179,487	-
Public Works CIP Fund	336,986	6,431,892	6,715,365	53,513
Parks CIP Fund	-	9,524,167	9,521,112	3,055
Other CIP Funds	41,861	129,052	128,141	42,772
Surface Water Management	17,220,413	1,552,426	2,358,006	16,414,834
Lake Wilderness Golf Course Fund	3,654,328	1,091,425	1,159,659	3,586,094
Internal Service Funds*	1,099,629	889,261	918,941	1,069,949
<b>Total</b>	<b>\$ 44,442,276</b>	<b>\$ 39,606,729</b>	<b>\$ 51,028,404</b>	<b>\$ 33,020,602</b>



## Cash and Investments

Total cash and investments as of December 31, 2019 total \$17,515,792. This balance consists of two categories: (1) Cash and Cash Equivalent, and (2) Investments. Cash and Cash Equivalents include imprest funds (petty cash, change funds, and cash held with vendors) as well as the City's general checking account. Investments at the Local Government Investment Pool (LGIP) are considered to be cash equivalents due to the high liquidity of the funds. The City's investment portfolio consists of one investment in securities with maturity date in 2021.

	Interest Rate Dec-19	Beginning Balance 1/1/2019	Receipts and Investments Purchased	Disbursements and Investments Sold/Matured	Change in Fair Value	Ending Balance 12/31/2019
<b>Cash &amp; Cash Equivalents</b>						
Petty Cash/Imprest Funds		\$ 20,000	\$ 450	\$ (7,450)	\$ -	\$ 13,000
Checking Account		2,329,929	38,485,515	(35,893,696)	-	4,921,748
LGIP	1.774%	23,621,211	6,459,833	(17,500,000)	-	12,581,044
<b>Subtotal: Cash &amp; Cash Equivalents</b>		<b>25,971,140</b>	<b>44,945,798</b>	<b>(53,401,146)</b>	<b>-</b>	<b>17,515,792</b>
<b>Investments at Market Value</b>						
Maturity Description						
10/15/2019 Resolution Funding Corp	1.45%	1,018,637	7,645	(1,026,282)	-	-
11/26/2021 Federal Home Loan Bank	1.65%	1,212,962	5,189	-	26,913	1,245,064
<b>Subtotal: Investments</b>		<b>2,231,599</b>	<b>12,834</b>	<b>(1,026,282)</b>	<b>26,913</b>	<b>1,245,064</b>
<b>Total Cash and Investments</b>		<b>\$ 28,202,739</b>	<b>\$ 44,958,632</b>	<b>\$ (54,427,428)</b>	<b>\$ 26,913</b>	<b>\$ 18,760,856</b>

Cash and cash equivalents have decreased by \$8,455,348 from the beginning of the year. Within the General Fund, cash has decreased by a little over \$3.7 million. The 2018 net proceeds of \$2.7 million from property sale on 216<sup>th</sup> Avenue was transferred to Parks Construction Fund for Summit Park funding.

The REET 2<sup>nd</sup> Quarter Fund had a \$3.16 million decrease in cash with revenue inflows of \$948,844 offset by transfers in support of the following:

Transfers	Amount
Debt Service	\$ 403,002
T-39 SR169 Widening	323,209
Summit Park	3,132,463
Other Park Capital Projects	224,990
Legacy Site	21,634
Art Program	6,961
<b>Total</b>	<b>\$4,112,259</b>

The Bond Proceeds Fund started the year with \$1.278 million, and currently has a no cash balance. Transfers were made as needed to fund Summit Park construction.

While the above represent major usages of cash, these projects and transfers occurred within the budget parameters and were expected to support major capital projects and goals.

Current year interest earnings of \$538,566 are 7.5% above the year-end actuals for 2018. The average interest rate is currently 1.76%.

## Debt Service

As of December 31, 2019, the City's long-term debt balance consists of two State infrastructure loans, one refunding general obligation bond, and two Councilmanic general obligation bonds. The infrastructure loans funded two capital projects, T06 (SR 169 – SR 516 to SE 264<sup>th</sup> St) and T16 (SR 516 & 2285<sup>th</sup> Ave Intersection). The maturity for these loans is 2024. The 2015 refunding general obligation bond was used to purchase the Legacy site and will be paid off next year. The two Councilmanic general obligation bonds have funded Parks capital projects. The bonds issued in 2014 supported the construction of Ravensdale Park, and the 2018 bonds financed Summit Park construction. All bond proceeds of the 2018 bond issue have been spent.

The debt service payments are funded through a combination of General Fund, Real Estate Excise Tax, and Transportation Impact Fee Funds. In 2019, the total debt service requirement was \$1,179,487. Interest payments total \$234,866, and principal reduction was \$944,621. The payment schedule for each long-term debt is provided below along with a combined schedule.

State Infrastructure Loan 0.5%				State Infrastructure Loan 0.5%			
2005 Loan - SR 516 - Witte to 228th				2005 Loan - SR 169 - SR 516 to 264th			
Year	Principal	Interest	Balance	Principal	Interest	Balance	
2019	\$ 75,356	\$ 2,261	\$ 376,779	\$ 109,265	\$ 3,278	\$ 546,326	
2020	75,356	1,884	301,423	109,265	2,732	437,061	
2021	75,356	1,507	226,067	109,265	2,185	327,796	
2022	75,356	1,130	150,712	109,265	1,639	218,530	
2023-24	150,712	1,130	75,356	218,530	1,639	109,265	
	<b>\$ 452,135</b>	<b>\$ 7,912</b>	<b>\$ 460,047</b>	<b>\$ 655,591</b>	<b>\$ 11,473</b>	<b>\$ 667,064</b>	

2014 Councilmanic GO Bonds				2015 Refunding GO Bonds			2018 Councilmanic GO Bonds		
Year	Principal	Interest	Balance	Principal	Interest	Balance	Principal	Interest	Balance
2019	\$ 160,000	\$ 19,205	\$ 675,000	\$ 485,000	\$ 34,550	\$ 500,000	\$ 115,000	\$ 175,572	\$ 3,660,000
2020	165,000	15,525	510,000	500,000	20,000	-	150,000	140,200	3,510,000
2021	165,000	11,730	345,000	-	-	-	155,000	135,700	3,355,000
2022	170,000	7,935	175,000	-	-	-	155,000	131,050	3,200,000
2023-37	175,000	4,025	-				3,200,000	1,114,400	-
	<b>\$ 835,000</b>	<b>\$ 58,420</b>	<b>\$ 893,420</b>	<b>\$ 985,000</b>	<b>\$ 54,550</b>	<b>\$1,039,550</b>	<b>\$ 3,775,000</b>	<b>\$1,696,922</b>	<b>\$ 5,471,922</b>

Total Debt Service Requirements			
Year	Principal	Interest	Total
2019	\$ 944,621	\$ 234,866	\$ 1,179,487
2020	999,621	180,341	1,179,961
2021	504,621	151,122	655,743
2022	509,621	141,754	651,375
2023-37	3,744,242	1,121,194	4,865,436
<b>Total</b>	<b>\$ 6,702,726</b>	<b>\$ 1,829,277</b>	<b>\$ 8,532,003</b>